



MOTOR FLEET MANAGEMENT

An Overview

11/14/2013

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Current State of Motor Fleet

- Approximately 7,300 vehicles
- Managed by 48 employees
- DPS makes up approximately 40% of the total fleet
- Efficient Cost Structure
 - Direct Costs = 93%
 - Indirect Costs = 7% (includes all Labor)
- Fleet size has decreased over the last few years due to low purchases; required to use old cars for spare parts
- Mileage fees cover:
 - Fuel
 - Maintenance & Repair
 - Operations Overhead
 - Depreciation/Replacement Costs
- Insurance = \$35/vehicle
- Vehicle replacement funds = depreciation recovery + proceeds from sale of surplus vehicles

FY 2012/2013 Activity - since Jan 2013

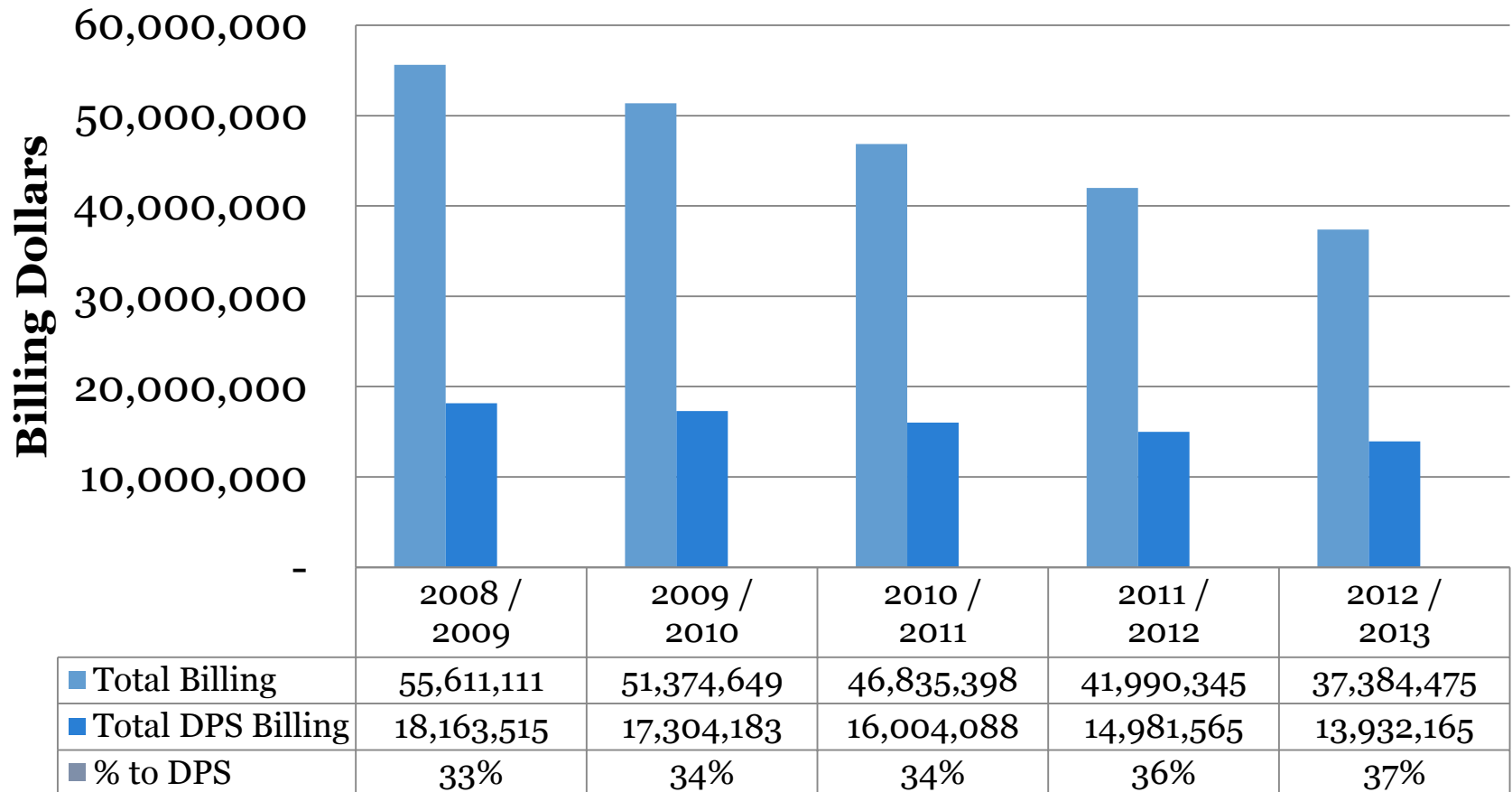
- 611 vehicles purchased (\$9+M)
- 555 (91%) delivered and deployed
- 178 (29%) provided to DPS
- 56 (9%) backordered due to model year cutover

FY 2013/2014 Plan

- \$27M now available to purchase vehicles
 - 1,330 vehicles
 - 788 (59%) could go to DPS
 - Delivery/deployment within 4-5 months
- Delivery contingencies
 - Flexibility to substitute vehicles per availability
 - Manufacturer's capabilities

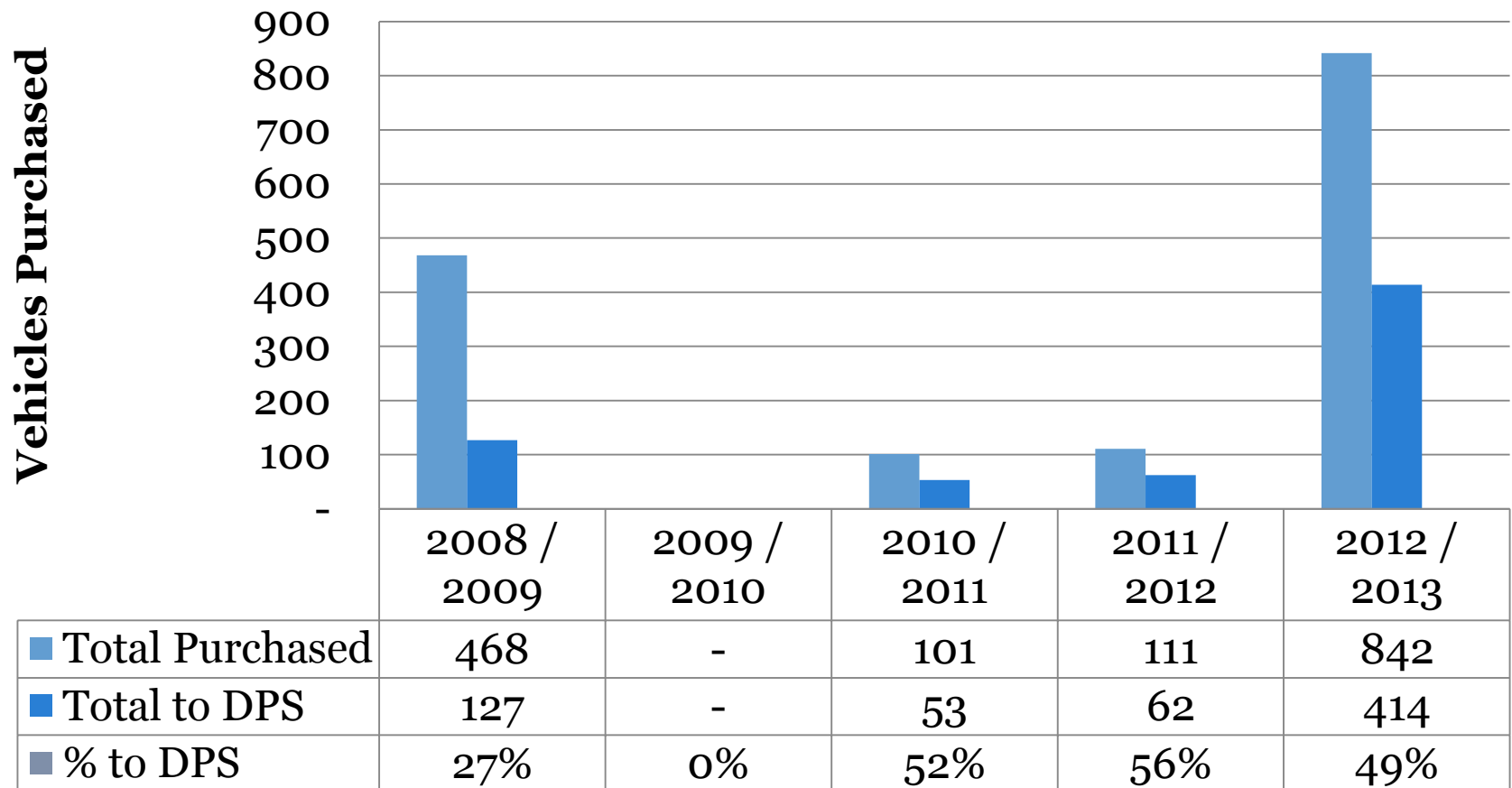
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Billing from 2008 to 2013



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Vehicle Purchases from 2008 to 2013



Key Facts

- Fleet centralization widely accepted as a “Best Practice”
- Repair history is the best indicator of replacement need rather than mileage
- Safety is not compromised just because a vehicle reaches 125,000 miles

Vehicle Replacement Strategy

- Replace 20% of the fleet annually
- Baseline of 125,000 miles and/or 5 years
- Evaluate each vehicle where the cost curve and optimum resale value intersect
- Evaluate statutory requirements to ensure enough flexibility to purchase at “best value”

Why Centralize Fleet

- **Florida** - “Centralizing vehicle fleet operations and implementing cost saving strategies could reduce state spending”
- **Pennsylvania** – “Decentralized management of state vehicles meant no accountability, incomplete records”
- **Georgia** – “Centralized coordination of fleet management has proven to be the most effective tool to produce an efficient fleet operation...with best value fleet management”
- **Utah** - “Tracking vehicle utilization as a means to reduce costs and optimize agency fleet”

Other States That Have Centralized Fleet*

- South Carolina
- Ohio
- Colorado
- Maryland
- Vermont

* Not an all-inclusive list

Future of Motor Fleet

- Consolidate passenger vehicles to provide efficiency, transparency and independence
- Work toward understanding customer concerns
- Manage with data and metrics
 - PED study noted MFM uses “Best Practices” but acknowledged challenges with data management
- Evaluate current operating model to ensure it meets current needs and expectations
 - Should some vehicles have priority status?
- Improve communications and accountability

References

- The Florida Legislature Office of Program Policy Analysis & Government Accountability, ***Centralizing Vehicle Fleet Operations and Implementing Cost-Saving Strategies Could Reduce State Spending***, Report No. 11-16, April 2011.
- Pennsylvania Department of the Auditor General, Bureau of Special Performance Audits, ***Decentralized management of state vehicles meant no accountability, incomplete records***, January 23, 2009.
- Department of Administrative Services, Office of Fleet Management, **Georgia Fleet Management Manual**, May 2008.
- Brian Fay, research consultant for the State of Utah, ***State of Utah Vehicle Utilization Study Optimizes Fleet***, © 2013 Government Fleet.
- Various Program Evaluation Division Studies regarding the State's fleet.